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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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MAY - 7 1992

Honorable Thomas J. Bliley, Jr.
House of Representatives
2241 Rayburn House Office Building
Washington, D.C. 20515-4603

Federal Communications Commission
Office of the Secretary

EX PARTE OR LATE FILED

Dear Congressman Bliley:

Thank you for your letter regarding the petition for rulemaking filed by Communications Satellite Corporation (COMSAT). As you observe, COMSAT seeks a change in the Commission's Rules that would "cap" its current rates for multi-year carrier switched-voice services.

In a March 5, 1992 Public Notice, the Commission requested comment on the COMSAT petition. We have received comments from Sprint Communications Company L.P.; IDB Communications Group, Inc.; MCI Telecommunications Corporation; Pan American Satellite; and American Telephone and Telegraph Company.

The Commission is reviewing the comments and plans to address this matter expeditiously. I believe that the concerns expressed in your letter will assist us in reaching a decision on the request for rulemaking. We all seek a course of action that will result in a reasonable and fair solution for COMSAT which best serves the public interest.

Sincerely,

Alfred C. Sikes
Chairman

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Congressional

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CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM
04/23/92

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9201235	04/23/92	04/20/92	05/06/92	05/04/92

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Congressman	Thomas Bliley Jr	ACS

CONSTITUENT'S NAME	SUBJECT
personal view	COMSAT international rule making

REF TO	REF TO	REF TO	REF TO
CCB	TARF		

DATE	DATE	DATE	DATE
04/23/92	4-23-92		

REMARKS:

THOMAS J. BILEY, JR.
3d DISTRICT, VIRGINIA

MEMBER OF:
COMMITTEE ON ENERGY
AND COMMERCE
COMMITTEE ON THE DISTRICT
OF COLUMBIA

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Congress of the United States
House of Representatives
Washington, DC 20515-4603

April 20, 1992

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The Honorable Alfred Sikes
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

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APR 23 1992
LEGISLATIVE AFFAIRS
OCPA

Dear Chairman Sikes:

I am writing to express my support for initiating a rulemaking on incentive-based regulation for switched-voice INTELSAT services, a position recently proposed in a petition filed by COMSAT.

As you know, COMSAT's petition requests that it be allowed to move to an incentive-based regulatory regime. By authorizing this regulatory relief, COMSAT would be granted treatment similar to that of other international carriers and be allowed to compete with them on an equal basis. Presently, COMSAT remains the only fully rate regulated U.S. common carrier.

It has been seven years since the FCC has reviewed the regulatory regime for COMSAT and since then a great deal has changed. The most significant change has been the rise of new competitors such as separate satellite systems and underseas fiber optic cables. As a result of this changing international marketplace and the Commission's recent shift from its rate-based regulatory treatment for other international carriers to an incentive based system, I share COMSAT's goal that their voice services be treated like any other carriers.


COMSAT believes that an incentive-based system will provide many benefits to their customers and the world at-large. One significant benefit will be lower prices, which in turn, will better allow Third World countries to communicate with the developed world and allow COMSAT to be more responsive to market conditions and consumer needs.

I support COMSAT's petition for a rulemaking and urge the Commission to move forward with it. If I can be of any assistance, please let me know.

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Chairman Sikes
April 20, 1992

I look forward to hearing your thoughts on this issue. With kindest regards, I am

Sincerely,


Thomas J. Bliley, Jr.
Member of Congress

TJBj/epb